

(All parties and counsel listed on Signature Page)

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

JENS ERIK SORENSEN, as Trustee of) Case No. C08-00095 JW RS
SORENSEN RESEARCH AND)
DEVELOPMENT TRUST,)
Plaintiff) **AMENDED**
v.) **JOINT CASE MANAGEMENT**
LEXAR MEDIA, INC., a Delaware) **CONFERENCE STATEMENT**
corporation; and DOES 1 – 100,)
Defendants.) Date: June 30, 2008
and related counterclaims.) Time: 10:00 A.M.
) Courtroom 8, 4th Floor
) Judge: Hon. James Ware
) Courtroom 5, 5th Floor
) Mag. Judge: Hon. Richard Seeborg
)
)

**JOINT REPORT OF RULE 26(f) CONFERENCE AND PROPOSED
DISCOVERY PLAN**

Beginning on May 14, 2008, the parties' counsel conferred by telephone regarding the topics identified in Federal Rule of Civil Procedure Rules 26(f), 16(b), 16(c), and the Northern District L.R. 16, and Patent L.R. 2-1 (a), and the Northern District Standing Order on Case Management Conference Statements.

Attorney J. Michael Kaler represented Plaintiff Jens Erik Sorensen, As Trustee Of Sorensen Research And Development Trust (“Plaintiff”) in the telephonic

1 conferences, and Attorney Jared Bobrow represented Defendant/Counterclaimant
 2 Lexar Media, Inc. ("Defendant"). Pursuant to Rule 26(f), all parties jointly submit
 3 this report of their Rule 26(f) conference and their proposed discovery plan.

4 **I. RULE 26(f)(1) TIMING, FORM AND REQUIREMENTS OF RULE
 5 26(a) INITIAL DISCLOSURES**

6 Initial disclosures under Rule 26(a)(1)(A)-(D) were exchanged on or before
 7 June 20, 2008.

8 **II. RULE 26(f)(2) SUBJECTS ON WHICH DISCOVERY MAY BE
 9 NEEDED AND THE PROPOSED DISCOVERY SCHEDULE**

10 Plaintiff requires discovery on the following subjects: (1) corporate structure
 11 of Defendant and its affiliated organization(s); (2) identity of all manufacturers,
 12 importers, and sellers of the Accused Products; (3) infringement by the currently
 13 Accused Products and all similarly manufactured products sold under different
 14 names or model numbers; (4) damages; (5) claim construction; (6) willfulness; and
 15 (7) discovery to all affirmative defenses and counterclaims raised by Defendant.

16 Defendants require discovery on all of the above subjects, as well as non-
 17 infringement, invalidity and unenforceability, and claim construction of the patent in
 18 suit.

19 **Proposed Schedule**

20 The proposed claim construction schedule is as follows:

21 June 20, 2008	Initial Disclosures: Rule 26(a)
22 September 12, 2008	Case Management Conference
23 September 22, 2008	Disclosure of Asserted Claims and Preliminary Infringement Contentions: Patent L.R. 3-1
24 November 6, 2008	Preliminary Invalidity Contentions: Patent L.R. 3-3
25 November 21, 2008	Exchange of Proposed Terms and Claim Elements for Construction. Patent L.R. 4-1(a)
26 December 11, 2008	Exchange of "Preliminary Claim Construction and

	Extrinsic Evidence.”: Patent L.R. 4-2(a)
January 12, 2008	File “Joint Claim Construction and Prehearing Statement.”
	Patent L.R. 4-3
February 4, 2009	Completion of Discovery on Claim Construction. Patent L.R. 4-4
February 19, 2009	File Plaintiff’s Claim Construction Brief.
	Patent L.R. 4-5(a)
March 5, 2009	File Defendant’s Claim Construction Opposition Brief.
	Patent L.R. 4-5(b)
March 16, 2009	File Plaintiff’s Reply Claim Construction Brief.
	Patent L.R. 4-5(c)
April 6, 2009	Claim Construction Pre-hearing Conference
To be scheduled after the Pre-hearing Conference	Claim Construction Hearing: Patent L.R. 4-6

The parties propose the following additional pretrial deadlines:

July 10, 2009	Completion of fact discovery
September 14, 2009	Rule 26 expert reports based on burden of proof
October 19, 2009	Rule 26 rebuttal expert reports
November 30, 2009	Completion of expert discovery
January 11, 2010	Last day to file dispositive motions
February 8, 2010	Pretrial conference
April 12, 2010	Trial

Defendant proposes the following additional dates:

Phasing of Discovery

Plaintiff believes there should be no phasing of discovery, with the exception

1 of the termination of Claim Construction Discovery pursuant to Patent L.R. 4-4.
2 Phasing of discovery will be inefficient, as many documents, witnesses, and other
3 sources of evidence will relate to multiple factors. Phasing of discovery would have
4 the potential of requiring multiple depositions of the same persons at various stages,
5 would increase costs, and would increase the amount of law and motion related to
6 discovery disputes wherein the Court would have to resolve disagreements.
7

8 Defendant reserves the right to request, after the conclusion of Claim
9 Construction Discovery pursuant to Patent L.R. 4-4, that further discovery be phased
as appropriate.
10

11 **Settlement Conferences**

12 None currently scheduled.

13 **III. RULE 26(f)(3) LIMITATIONS ON DISCOVERY**

14 The parties agreed to the following limitations on discovery.

15 **Depositions:**

16 In the case of Rule 30(b)(6) depositions, Plaintiff requests that each such
17 notice would count as one deposition for purposes of determining the numerical limit
18 on depositions. Each deposition taken under Federal Rules of Civil Procedure 30
19 and 31 should follow the time limitations for each witness as follows: depositions
20 will be limited to one day of seven hours when the witness testifies in English and to
21 two days of seven hours totaling fourteen hours when the witness testifies in a
22 language other than English through an interpreter.

23 **Extraterritorial Witnesses:**

24 Plaintiff's Position: To the extent that depositions of any non U.S. residents
25 are of party affiliated entities, such as Defendant, its parents, subsidiaries, or
26 suppliers, those depositions should be conducted in the United States to avoid issues
27 of sovereignty, and conflict with local law, which is not conducive to American style
28 discovery. The conduct of an American type of deposition is banned by law in many

1 countries, and is a criminal violation in many countries including much of Europe
2 and in China. The affiliated party should be ordered to produce those deponents
3 within the United States.

4 Plaintiff requests that corporate officers, directors, any Rule 30(b)(6) fact
5 witnesses, or other party-affiliated witnesses who reside outside the United States
6 will be produced for depositions within the continental United States, within the
7 Southern District of California or to such other locations as the parties may agree.
8 This conduct of depositions within the United States avoids the sovereignty and legal
9 issues that arise from the attempt to conduct extraterritorial depositions in countries
10 where discovery laws are different.

11 Plaintiff does not waive any rights it may have to contest admissibility of
12 testimony from extraterritorial witnesses for purposes of trial or any other court
13 proceedings.

14 Defendants' Position:

15 Defendant does not agree to any limits on the location of depositions, and
16 specifically does not agree that the Southern District of California is an appropriate
17 location for depositions in this case. To the extent Defendant has control over a
18 witness, Defendant intends to offer the witness at a location consistent with its
19 obligation under any applicable discovery rules, including the Federal Rules of Civil
20 Procedure and any applicable foreign law.

21 Expert Witnesses:

22 The parties agreed that testifying experts are not included within the number
23 of depositions that can be conducted by each party pursuant to Rule 33, Fed.R.Civ.P.

24 Expert witnesses can be deposed with the time limitations for each witness as
25 described for depositions taken under Federal Rules of Civil Procedure 30 and 31.
26 The limitations on fact witness depositions are consistent with Federal Rule of Civil
27 Procedure 33 and the limitation on expert witness depositions clarifies the parties'
28

1 understanding that the ten deposition limit imposed by the 1993 amendments is not
2 intended to include expert depositions.

3 **Interrogatories:**

4 With regard to interrogatories under Federal Rule of Civil Procedure 33, the
5 parties agree that each is permitted to serve a cumulative total of 30 interrogatories
6 upon each party to the lawsuit, counting each discrete subpart as a separate
7 interrogatory, absent further agreement by the parties or order of the Court.

8 **Document Requests:**

9 With regard to document requests under Federal Rule of Civil Procedure 34,
10 the parties agreed that there would be no express numerical limitation at this time.
11 The absence of a numerical limitation is consistent with Federal Rule of Civil
12 Procedure 34, which is silent on the issue.

13 **Requests for Admission:**

14 With regard to requests for admissions, Federal Rule of Civil Procedure 36
15 provides no numerical limitation, but many jurisdictions limit the number. The
16 parties agree that a limit of 50 Requests for Admissions that each party may
17 propound to each other party is appropriate.

18 **IV. RULE 26(f)(4) - RULE 26(c) AND RULE 16(b)(c) ORDERS**

19 A Rule 26(c) protective order has been entered in this case.

20 The parties also agree that the Court should enter a Rule 16(b) scheduling
21 order reflecting the dates described hereinabove, and such modifications as the Court
22 may require.

23 **VI. PATENT LOCAL RULE 2-1(a)**

24 Pursuant to the requirements of Patent L.R. 2-1(a), the parties also discussed
25 the following topics:

26 1. The parties do not believe that any significant modification to deadlines
27 provided for in the Patent Local Rules is necessary.

2. The parties request a prehearing conference prior to the Claim Construction hearing and subsequent to the filing of the Joint Claim Construction and Prehearing Statement provided for in Patent L.R. 4-3
3. Plaintiff requests that the Court consider live expert testimony at the Claim Construction Hearing.
4. Plaintiff requests that discovery related to claim construction, including the depositions of experts, take place prior to the conduct of a Claim Construction Hearing.
5. Plaintiff requests that the order of presentation at the Claim Construction Hearing be Plaintiff first, followed by Defendants, with Plaintiff having an opportunity to Reply and Rebut.
6. Defendant believes that it is premature to specify the format of the Claim Construction Hearing, including how to allocate time and whether live testimony will be heard. Defendant requests that the Court wait until the prehearing conference to decide how to conduct the Claim Construction Hearing.

**VII. ADDITIONAL MATTERS TO BE COVERED PURSUANT TO THE
NORTHERN DISTRICT STANDING ORDER ON CASE
MANAGEMENT CONFERENCES**

1. **Jurisdiction and Service:** Subject matter jurisdiction is based on a Federal question, patent infringement. Defendant Lexar has not asserted any personal jurisdiction or venue concerns. All named parties are served, but there is the possibility that in discovery, Plaintiff might learn of additional parties, which should be named.
2. **Disputed Facts:**

1 U.S. Patent No. 4,935,184 ("the '184 patent"). Despite communications
2 continuing for more than two years, the parties were not able to negotiate a
3 resolution short of litigation. The '184 patent has been commercially
4 successful, in that it has been licensed to dozens of companies, including
several large multi-nationals.

5 Defendant: Defendant denies that it infringes the '184 patent or that the
6 Accused Product is made by a process that infringes the '184 patent, and
7 alleges that the '184 patent is invalid and/or unenforceable based on various
8 affirmative defenses. Defendant denies that Plaintiff's communications
9 with Defendant constituted notice under 35 U.S.C. § 287. Defendant also
disputes that the process patented by the '184 patent has been commercially
successful.

10 **3. Legal Issues:**

11 Plaintiff: While it is fair to assume that legal arguments will arise, at
12 present the obvious disputes are factual ones regarding infringement, and
13 damages, and construction of the '184 patent.

14 Defendant: Defendant believes legal issues exist with respect to willful
15 infringement, unenforceability, and invalidity under 35 U.S.C. §§ 101, *et seq.*,
16 laches, patent misuse, equitable estoppel, time limitations on damages
under 35 U.S.C. § 286, presumption of infringement under 35 U.S.C. § 295,
17 notice under 35 U.S.C. § 287, and whether this is an exceptional case
18 warranting attorney fees under 35 U.S.C. § 285

19 **4. Motions:** Defendant filed a motion to stay the case pending two (2)
20 patent reexaminations ongoing in the USPTO. The reexaminations were
21 filed by defendants in another case regarding the same patent, in the
Southern District of California. The motion was denied on April 30, 2008.

22 Plaintiff has filed a motion to apply the presumption of infringement under
35 U.S.C. § 295. The Court has conducted one hearing on this motion. A
23 further hearing on this motion is set for September 12, 2008.
24

25 Plaintiff anticipates that it will file summary judgment motions of
26 infringement after issuance of the claim construction.
27
28

1 Defendant anticipates that it will file dispositive motions regarding
2 noninfringement, invalidity, and/or unenforceability after issuance of the
3 claim construction.

4 **5. Amendment of Pleadings:** Plaintiff does not anticipate any amendment at
5 this time, other than the possible naming of Doe defendants. Defendant
6 proposes May 29, 2009, as the last day to add parties.

7 **6. Evidence Preservation:** The parties are preserving all evidence within
8 their possession or control, including protection of emails and other
9 electronically-recorded material.

10 **7. Disclosures:** Initial disclosures under Rule 26(a)(1)(A)-(D) have been
11 exchanged.

12 **8. Discovery:** The parties have served initial requests for discovery upon
13 each other. The parties proposed discovery plan is outlined above.

14 **9. Class Actions:** Not applicable; this is not a class action.

15 **10. Related Cases:** There are 29 cases currently pending with regard to
16 infringement of the '184 patent, including 24 cases in the Southern District
17 of California. A complete list is attached as Appendix A.

18 **11. Relief:** The Complaint seeks a judgment of patent infringement,
19 contributory infringement, and inducement to infringe, with the reasonable
20 royalty calculated at eight percent (8%) of infringing sales, to be
21 determined through discovery. Additionally, willfulness is alleged, and an
22 award of costs, attorneys' fees, and treble damages are sought. Defendant
23 seeks a declaration that the '184 patent is not infringed and is invalid
24 and/or unenforceable. Defendant also seeks attorneys' fees.

25 **12. Settlement and ADR:** Settlement discussions to date have not been
26 fruitful. The parties believe that an early judicially supervised settlement
27 conference could be beneficial in resolving the case. Further, Plaintiff
28 believes that issuance of an order on Plaintiff's pending motion to shift the
 burden of proof on the issue of infringement pursuant to 35 U.S.C. § 295
 would inform the parties of their relative risks and challenges in a manner
 that would encourage settlement. Defendant believes that Plaintiff's
 pending motion is premature and should be denied if addressed on the
 merits.

1

2 **13. Consent to Magistrate Judge For All Purposes:** The parties decline

3 to consent to having a Magistrate Judge conduct all further proceedings.

4 **14. Other references:** The parties believe that this case is NOT suitable for

5 reference to binding arbitration, special master, or Multidistrict litigation.

6 **15. Narrowing of Issues:**

7 Plaintiff: Plaintiff's pending motion to shift the burden of proof on the

8 issue of infringement pursuant to 35 U.S.C. § 295 would narrow a number

9 of discovery and proof issues. Further, after ruling on that motion and

10 claim construction, summary judgment motions on a number of issues

11 could greatly narrow the scope of the case.

12 Defendant: Defendant disagrees that shifting the burden of proof under 35

13 U.S.C. § 295 would narrow discovery or proof issues. In contrast, claim

14 construction is likely to narrow a number of issues, including issues related

15 to infringement and invalidity. As discovery proceeds, additional issues

16 may become ripe for early adjudication or agreement between the parties.

17

18 **16. Expedited Schedule:** This case is appropriate for handling pursuant to the

19 schedule provided for patent cases in the Patent Local Rules.

20

21 **17. Scheduling:** Is addressed above in Section II.

22

23 **18. Trial:** A jury trial has been requested on all issues so triable. The

24 parties anticipate trial will take four to six days, subject to matters adduced

25 during discovery.

26

27 **19. Disclosure of Non-party Interested Entities or Persons:** Plaintiff has

28 filed the required Civil L.R. 3-16 certificate. Defendant has filed the

29 required Civil L.R. 3-16 certificate and further states that the following

30 listed persons, associations of persons, firms, partnerships, corporations

31 (including parent corporations) or other entities (i) have a financial interest

32 in the subject matter in controversy or in a party to the proceeding, or (ii)

33 have a non-financial interest in that subject matter or in a party that could

34 be substantially affected by the outcome of this proceeding: Micron

35 Technology, Inc. (parent corporation of Lexar Media, Inc.).

20. Other matters: The parties have no other matters to bring to the Court's attention at this time.

Dated this Thursday, September 11, 2008.

Respectfully submitted,

JENS ERIK SORENSEN, as Trustee of SORENSEN
RESEARCH AND DEVELOPMENT TRUST,
Plaintiff

/s/ Melody A. Kramer

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PROOF OF SERVICE

I, Melody A. Kramer, declare: I am and was at the time of this service working within in the County of San Diego, California. I am over the age of 18 year and not a party to the within action. My business address is the Kramer Law Office, Inc., 9930 Mesa Rim Road, Suite 1600, San Diego, California, 92121.

On Thursday, September 11, 2008, I served the following documents:

AMENDED JOINT CASE MANAGEMENT CONFERENCE STATEMENT

PERSON(S) SERVED	PARTY(IES) SERVED	METHOD OF SERVICE
Jared Bobrow Weil, Gotshal & Manges LLP 201 Redwood Shores Parkway Redwood Shores, CA 94065 jared.bobrow@weil.com	Lexar Media, Inc.	Email--Pleadings Filed with the Court via CM/ECF
Kevin Kudlac Weil, Gotshal & Manges LLP 8911 Capital of Texas Highway Suite 1350 Austin, TX 78759 Kevin.kudlac@weil.com	Lexar Media, Inc.	Email--Pleadings Filed with the Court via CM/ECF

(Email--Pleadings Filed with the Court) Pursuant to Local Rules, I electronically filed this document via the CM/ECF system for the United States District Court for the Southern District of California.

(U.S. Mail) I mailed a true copy of the foregoing documents to a mail address represented to be the correct mail address for the above noted addressee.

I declare that the foregoing is true and correct, and that this declaration was executed on Thursday, September 11, 2008, in San Diego, California.

/s/ Melody A. Kramer

Melody A. Kramer